

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

BKY No. 04-34853

In re:

Raje Holdings LLC,

Debtor.

**NOTICE OF MOTION AND MOTION
TO EXTEND TIME FOR LEASE
ASSUMPTION OR REJECTION
AND FOR EXPEDITED HEARING**

1. Patti J. Sullivan, Trustee, moves the court for the relief requested below and gives notice of hearing.

2. The court will hold a hearing on this motion at 11:30 a.m. on October 14, 2004 in Courtroom No. 228A U.S. Bankruptcy Court, 316 North Robert Street, St. Paul, MN 55101.

3. Because of the expedited nature of this hearing, the Trustee will not object as to timeliness to any response to this motion which is filed and delivered 2 hours prior to the time set for hearing. **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. This motion arises under 11 U.S.C. §365. This proceeding is a core proceeding. The petition commencing this Chapter 7 case was filed on August 18, 2004. The schedules in this case were not filed until September 16, 2004. The case is now pending in this court.

5. On or about July 31, 2000, the Debtor had entered into a building lease with Randal R. Hutmacher and Joan A. Hutmacher ("Lease"). A copy of the Lease is attached hereto as Exhibit A. The term of the Lease was until May 31, 2004, with the lessee having an option to extend the Lease until May 31, 2008. The Lease stated that the option had to be exercised in writing delivered to the lessor at least 120 days prior to May 31, 2004. Paragraph 2, Exhibit A.

6. The Lease also contained, at paragraph 14, an option to purchase the property at any time during the term of the Lease or extension thereof for the sum of \$350,000.

7. The Lease provided that the option would terminate, if not sooner exercised, “upon the termination of this Lease and the extension thereof.”

8. Apparently on May 6, 2004, the Debtor provided the Hutmachers with written notice of the renewal of the Lease. A copy of that letter is attached hereto as Exhibit B.

9. Upon information and belief, the Debtor continued to pay, and the Hutmachers continued to accept Lease payments from and after their receipt of the May 6, 2004 correspondence, per the terms of the Lease. See Exhibit B1, from the Debtor’s schedules regarding Hutmacher Payments. The Hutmachers have also demanded that the Trustee pay Lease payments to the Hutmachers. See Exhibit C, letter from Hutmachers attorney to Trustee.

10. The Trustee has recently learned that, apparently the Hutmachers, in July, 2004, placed another mortgage against the property, which may have increased total encumbrances against the property to an amount in excess of the \$350,000 option price. A copy of the O&E Report received by the Trustee for the Property is attached hereto as Exhibit D.

11. The Hutmachers, through their attorney, have asserted to the Trustee, that the option is no longer in effect. See letter to Trustee attached hereto as Exhibit E.

12. The Trustee believes that both the Lease and, accordingly, the option to purchase the property, are still in effect.

13. The Trustee has been in negotiations seeking to sell the Property and has received an indication that a willing purchaser exists who will pay at least \$400,000 for the property. see Exhibit E1.

14. Relief is requested on an expedited basis because the Trustee is attempting to negotiate a sale of the real property which the Debtor has leased with an option to purchase but cannot close a sale within 60 days after commencement of the case, and does not want to burden

the estate with the administrative cost of Lease assumption until she has assurance that she can close.

15. It appears that the Trustee may be able to sell the property and realize substantial equity for the estate, however, the apparent over-encumbrance of the Property by the Hutmachers may cause a delay in the Trustee's selling the Property. Additionally, the Trustee must assume the Lease not later than October 18 (which is a Monday) or the Lease will be deemed rejected. If the Trustee assumes the Lease but is unable to close on the sale of the Property because it is over encumbered, the estate would be liable for the balance of the Lease as a Chapter 7 administrative expense, causing severe consequences to the bankruptcy estate. The Trustee needs additional time to negotiate a sale of the Property on the most favorable terms to the estate, and to confirm that the Hutmachers are able to meet their obligation to deliver marketable title to the Property.

WHEREFORE, the Trustee requests an Order of the court extending for the time for the Trustee to accept or reject the Lease until December 20, 2004.

FULLER, SEAVER & RAMETTE, P.A.

Dated: October 4, 2004

By: /e/ Randall L. Seaver

Randall L. Seaver 152882
12400 Portland Avenue South, Suite 132
Burnsville, MN 55337
(952) 890-0888

Attorneys for Patti J. Sullivan, Trustee

VERIFICATION

I, Patti J. Sullivan, the Trustee and moving party named in the foregoing notice of hearing and motion declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Executed on October 4th, 2004



Patti J. Sullivan, Trustee

RECEIVED
PAGE 813**BUILDING LEASE**

This Lease Agreement is entered into this 31st day of July, 2000, by and between Randal R. Hutmacher and Joan E. Hutmacher, husband and wife, hereafter "lessor" and RAJE Holdings, LLC, a Limited Liability Company, hereafter "lessee".

WITNESSETH:

1. **PREMISES.** That lessor, for and in consideration of the covenants and agreements hereafter contained does hereby demise and lease to the lessee and the lessee does hereby hire and take from lessor the building, except the office spaces located on the easterly side of the building currently occupied by RM Marketing, which is situate on the following described real property in Otter Tail County, Minnesota, together with the building and improvements situated thereon:

See Exhibit A attached hereto and made a part hereof by reference.

That lessee accepts said building and premises in "as is" condition.

2. **TERM OF LEASE.** The term of this lease shall be from the date hereof to and until May 31, 2004. Lessee shall have the option to extend the lease to and until May 31, 2008. Such option must be exercised in writing delivered to Lessor at least 120 days prior to May 31, 2004.

3. **RENT.** Lessee shall pay to lessor as and for rent for the premises the sum of \$3,400.00 per month, which amount shall be due and payable on the date hereof, and the 1st day of each succeeding month until this agreement is terminated including during the term of the extension of this lease. The rent shall be payable at the direction of lessor. It is further agreed by and between the parties that the lessee will pay to lessor a sum equal to the increase of the real estate taxes due in any year of this Lease on a monthly basis in the year of which said real estate taxes are due and payable.

EXHIBIT A

4. UTILITIES. Lessee shall pay all utility costs, including fuel oil, propane, natural gas, electricity, sewer, water, etc., for said premises except that for so long as RH Marketing continues to occupy the office spaces on the easterly side of the leased property, RH Marketing will pay the electrical costs for the existing cooling/air conditioning system for the lease property. Lessee shall be responsible for all necessary snow removal, sidewalk, parking lot, driveway, window and building cleaning, etc., which is necessary for the use of the premises by lessee.

5. USE AND POSSESSION. Lessee shall have the exclusive use and possession of the leased premises during the term hereof. Lessee agrees not to perform or permit any act to be done or fail to perform any act which would constitute or would cause a violation of any state, federal, county, township or city statute, regulation or ordinance, which would increase the insurance rate on said building or which would be in violation of any insurance presently carried on the premises by lessor. Lessee shall not do or permit to be done in or about the premises anything which would be dangerous to life, limb or real or personal property.

6. LESSOR'S ACCESS. Lessor, it's employees and agents shall have the right to enter the premises at all reasonable times for the purpose of inspecting, repairing, altering, improving, and for posting notices of non-responsibility.

7. ALTERATIONS AND IMPROVEMENTS. Lessee shall not do any act to affect or alter the structure of the premises without the prior written consent of lessor which will not be unreasonably withheld.

Lessee shall not create or permit to be created or to remain, and shall discharge when due any lien, encumbrance or charge levied on account of any mechanic's, laborers or materialman's lien which might or does constitute a lien, encumbrance or charge upon the property or any part thereof or the income therefrom whether prior to subordinate to the interest of Lessor.

8. ASSIGNMENT. Lessee may not sell, convey, assign or otherwise transfer or sublease directly or indirectly any interest in the premises described herein or this lease.

9. MAINTENANCE AND CARE OF PREMISES. Lessee shall maintain the premises in as good or better condition and repair than existed on the date hereof, reasonable wear and tear excepted, which shall include, but shall not be limited to, making and performing all repairs and maintenance to the building, parking lot and driveway, the heating and cooling systems, floor, utility lines and windows of the premises, all at lessee's cost.

10. FIRE, CASUALTY AND EMINENT DOMAIN. If the premises are rendered untenable due to fire, casualty or are sold pursuant to the exercise of the power of eminent domain by any public authority, this agreement shall be terminated and any pre-payment

of rent shall be refunded to lessee on a pro rata basis; however, if the premises can be repaired or restored within 120 days from the date of such event, then, at lessor's option, by a notice in writing to lessee, mailed within 30 days from the date of such event, lessor may notify the lessee that the lease shall remain in full effect, that lessee shall receive possession no more than 120 days from the date of such event and that the rent for the period during which the premises are untenable shall be abated pro rata, otherwise this agreement and option shall become null and void.

11. TAXES AND INSURANCE. Lessor shall pay all real estate taxes for the leased real property. Lessor at their cost, shall keep the building and improvements on the premises insured for the full insurable value against such perils and in such amounts as Lessor shall determine. Lessee, at its costs shall insure its personal property and equipment against such perils and in such amounts as Lessee shall determine. Lessee shall maintain public liability insurance in an amount reasonably satisfactory to lessor, naming lessor as an additional insured and shall provide lessor with a copy of same.

12. SURRENDER. That on the termination of the lease or prior thereto, lessee shall peaceably surrender the premises to lessor on or before such termination and lessee and, at its expense, shall remove all of its equipment and property from the premises and any property not so removed shall be deemed abandoned. If the premises are not surrendered on or before the termination of this lease, lessee shall indemnify lessor against any loss or liability resulting from lessee's delay.

13. NO PARTNERSHIP CREATED. That nothing contained in this lease shall be interpreted as creating a partnership, joint venture or relationship of principal and agent between the lessor and lessee, it being understood that the sole relationship created hereby is one of landlord and tenant. That lessor shall not be liable to lessee, their agents, employees, representatives, customers or invitees for any personal injury or death, or damage to property for any cause occurring on or about the premises and lessee agrees to save, hold-harmless and defend the lessor against any liability for such damages.

(14) OPTION TO PURCHASE. This option to purchase is a part of this lease agreement and the terms of said option are controlling when in conflict with this lease agreement:

A. Option: Lessor does hereby give and grant to Lessee the exclusive right and option to elect to purchase the premises described at paragraph 1, hereof at any time during the term of this Lease.

B. Purchase Price: The purchase price shall be Three Hundred Fifty Thousand and no/100ths Dollars (\$350,000.00) and

W/1/04
PAG

last new

Corp. property

losses

TAX 155K

3

extend time
to accept / reject
development

accept

shall be paid in cash at closing. No portion of the rent paid by Lessee shall be applied or credited to said purchase price.

C. Exercise of Option. This option shall be exercised by delivery to Lessor, the survivor or their heirs, executors and assigns, written notice of the exercise of the option signed by Lessee, or the survivor, prior to the termination of this Lease which notice shall specify a date of closing not less than sixty (60) days after the date Lessor receives said notice.

D. Conveyance. Upon receipt of the notice of exercise of option, Lessor shall deliver to Lessee the properly continued Abstract of Title certified to date to include proper searches covering bankruptcies, and State and Federal judgments and liens evidencing marketable title, subject to easements of record, in Lessor. Lessee shall have thirty (30) days to examine title and the making of any objections thereto, said objections to be made in writing or deemed to be waived. If any objections are so made the Lessor shall be allowed 180 days to make such title marketable. Pending correction of the title the payments hereunder required shall be postponed, but upon correction of title and within 10 days after written notice to the Lessee, the parties shall perform this agreement according to its terms. Nothing herein shall deprive either party of the right of enforcing the specific performance of this option such contract shall not be terminated and provided action to enforce such specific performance shall be commenced within six months after such right of action shall arise. All costs and expenses of curing any objections or defects in title shall be borne by Lessor and may be reserved from the purchase price and used to correct same. Upon approval of title, Lessor shall execute and deliver a Minnesota Uniform Warranty Deed conveying the property to Lessee, together with the state deed tax payable by Lessor. All taxes, assessments, insurance and similar expenses shall be prorated as of the date of the exercise of the option.

E. Termination. This option shall terminate, if not sooner exercised, upon the termination of this Lease and the extension thereof.

F. Transferability. This option may not be assigned, transferred, conveyed, given or sold.

15. RIGHT OF FIRST REFUSAL. Lessor hereby grants to Lessee an option to purchase the premises described at paragraph 1, hereof upon the following terms and conditions:

A. If Lessor receives and accepts (subject to this option) a written offer from a third party for the purchase of the above described real property Lessor shall notify Lessee in writing of the price, terms and conditions of said offer.

B. Lessee shall have fourteen (14) days from the time Lessee receives said notice in which to exercise this option in

writing and purchase said real property for cash at the price set forth in said offer or for the sum of \$350,000.00, at Lessee's option, payable on the date of closing set forth in said offer.

C. If Lessee shall fail to exercise said option, Lessor may sell said real property free and clear of the terms of this option at the price and upon the terms and conditions of such offer.

D. If Lessee shall fail to exercise said option, Lessee shall execute such documents in recordable form as Lessor requires to cancel and terminate this Right of First Refusal.

E. This option shall be exercised by delivery to Lessor their heirs, executors and assigns, written notice of the exercise of the option signed by Lessee, their heirs or executors.

F. Upon receipt of the notice of exercise of option, Lessor shall deliver to Lessee the properly continued Abstract of Title certified to date to include proper searches covering bankruptcies, and State and Federal judgments and liens evidencing marketable title, subject to easements of record, in sellers. Lessee shall have thirty (30) days to examine title and the making of any objections thereto, said objections to be made in writing or deemed to be waived. If any objections are so made the Lessor shall be allowed 180 days to make such title marketable. Pending correction of the title the payments hereunder required shall be postponed, but upon correction of title and within 10 days after written notice to the Lessee, the parties shall perform this agreement according to its terms. Nothing herein shall deprive either party of the right of enforcing the specific performance of this option such contract shall not be terminated and provided action to enforce such specific performance shall be commenced within six months after such right of action shall arise. All costs and expenses of curing any objections or defects in title shall be borne by Lessor and may be reserved from the purchase price and used to correct same. Upon approval of title, Lessor shall execute and deliver a Minnesota Uniform Warranty Deed conveying the property to Lessee, together with the state deed tax payable by Lessor. All taxes, assessments, insurance and similar expenses shall be prorated as of the date of the exercise of the option.

G. Termination. This option shall terminate, if not sooner exercised, upon the termination of this Lease and the extension thereof.

16. NOTICES. Notices required to be given pursuant to this agreement shall be in writing and shall be delivered personally or deposited in the U.S. Mail, certified, postage pre-paid and addressed to the other party at the following address and each party hereby agrees to provide the other with any change in such address:

Lessor:

Leases:

17. BINDING, EFFECT AND AMENDMENT. This agreement shall be binding upon and shall inure to the benefit of all heirs, executors, administrators, successors and assigns of the parties herein and may not be changed, amended or modified, nor shall any term be waived except in writing signed by all parties hereto.

18. SEVERABLE. The invalidity or unenforceability of any particular provision(s) of this agreement shall not affect the other provisions hereof and the agreement shall be construed in all respects as if such invalid or unenforceable provision(s) were omitted.

19. DEFAULT. The failure to fully perform any of the terms or conditions of this agreement by either party for a period of thirty days after receipt of written notice of such failure shall constitute a default hereunder and the non-defaulting party shall have all remedies available at law including termination of this lease and the defaulting party hereby agrees to pay all costs, expenses and attorney's fees incurred by the non-defaulting party in exercising said remedies.

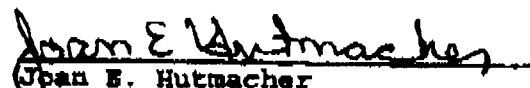
20. ENTIRE AGREEMENT. This agreement has been made following negotiations and revisions by the parties and it is therefore, not to be construed against either party because of it's draftsmanship; and no representations, warranties, undertakings or promises, whether oral, implied, written or otherwise have been made unless expressly stated herein and neither party has relied on any such representations, etc., not set forth herein. In the event of any dispute as to the construction of any provisions shall be construed in accordance with the laws of the State of Minnesota.

21. CAPTIONS. All captions, headings or titles in this lease are for the convenience or reference of the parties only and shall not limit the scope of the paragraphs or sections herein.

22. MISCELLANEOUS. That for the convenience of the parties, this agreement is made in two original copies, one being a photocopy of the other.

IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first above written.


Randal R. Hutmacher


Joan E. Hutmacher

RAJE HOLDINGS, LLC

R. Schepfer
By: _____
Its: Pres.

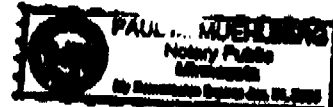
By: _____
Its: _____

STATE OF MINNESOTA)
COUNTY OF OTTER TAIL) ss

The foregoing instrument was acknowledged before me this 31st day of July, 2000, by Randal R. Hutmacher and Joan E. Hutmacher, husband and wife.

Paul M. Munkelberg

STATE OF)
COUNTY OF) ss



The foregoing instrument was acknowledged before me this 31st day of July, 2000, by R. Schepfer and President the of RAJE Holdings, LLC, a Limited Liability Company, on behalf of said company.

Paul M. Munkelberg

THIS INSTRUMENT WAS DRAFTED BY:

SVINGEN, ATHENS, RUSSELL,
HAGSTROM, HAUGRUD & KARKELA
450 West Main Street
P.O. Box 160
Perham, MN 56573
(218) 346-4995





May 6, 2004

Joan Hutmacher.

This letter is a reminder that we have exercised our option for a 2nd term per the lease agreement. We also will retain our right to first refusal and the purchase price in the original lease agreement.

Thank you

Sincerely,


Randy Schoephoerster

Box 160, Ottertail, MN 56571 218-367-3200 (Fax) 218-320-3207

EXHIBIT B

Hoot's Marine
Check Detail
May 18 through August 19, 2004

Bill	Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
TOTAL			05/09/2004	Bradley Chabot		Rosemount Boats	-3,516.49	3,516.49
	Bill						-3,516.49	
	Bill Pmt -Check	31964	05/24/2004	Land & Sea Midwest		Bremner Checking	-3,501.14	-3,501.14
TOTAL			05/01/2004			parts & accessories	-3,501.14	3,501.14
	Bill Pmt -Check						-3,501.14	
	Bill Pmt -Check	online	05/25/2004	GE Commercial 16719		Bremner Checking	-3,484.00	-3,484.00
TOTAL			05/10/2004	Robert Knapp		Rosemount Motors	-3,484.00	3,484.00
	Bill						-3,484.00	
	Check	31969	06/01/2004	Joan Hutnacher		Bremner Checking	-3,442.33	-3,442.33
TOTAL			07/01/2004	Joan Hutnacher		Bremner Checking	-3,442.33	3,442.33
	Check	32053					-3,442.33	
	Check	32143	08/01/2004	Joan Hutnacher		Bremner Checking	-3,442.33	-3,442.33
TOTAL						lease payment	-3,442.33	3,442.33
	Check						-3,442.33	
	Check	Online	06/07/2004	GE Commercial		Bremner Checking	-3,392.00	-3,392.00
TOTAL			06/27/2004	GE Commercial 30091		Bremner Checking	-3,392.00	3,392.00
	Check						-3,392.00	
	Check	Online		Hoeschen, Keith		boats	-3,392.00	-3,392.00
	Check						-3,345.60	

EXHIBIT B1

SVINGEN, HAGSTROM, KARKELA, CLINE & DIRKS, PLLP

ATTORNEYS & COUNSELORS AT LAW

L. KRISTIAN SVINGEN ☆◇ ALLEN R. HAUGRUD
 DENNIS W. HAGSTROM ▲ THOMAS C. ATHENS †☆◇
 TERRY A. KARKELA ● DAVID J. EILERTSON ○
 J. CLINE ○ PAUL B. HUNT
 COTT M. DIRKS ● GREG J. LARSON

RESPOND TO PERHAM Office

A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

OFFICES IN:	WEEKLY OFFICE HOURS IN:
FERGUS FALLS	DALTON
PERHAM	UNDERWOOD
PELICAN RAPIDS	VERGAS
BATTLE LAKE	

September 17, 2004

Patti J. Sullivan
 Trustee in Bankruptcy
 PO Box 16406
 St. Paul MN 55116

RE: RAJE HOLDINGS, LLC

Dear Ms. Sullivan:

Please be advised that you are hereby notified that you are in default in the payment of rent to Randal R. Hutmacher and Joan E. Hutmacher in the amount of \$3,400.00 which was due September 1, 2004.

Very truly yours,

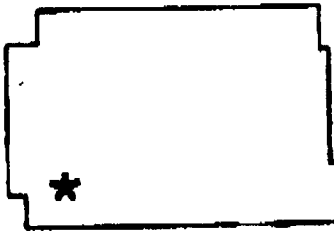

 Terry A. Karkela

tm

EXHIBIT C

◇ Also admitted to practice in ND † Civil Trial Specialist Certified by the Minnesota State Bar Association ☆ Qualified ADR Neutral Civil Mediation/ Arbitration
 ● Real Property Law Specialist Certified by the Minnesota State Bar Association ▲ Qualified ADR Neutral Civil & Family Mediation/ Arbitration

450 West Main • P.O. Box 160 • Perham, MN 56573
 218-346-4995 • fax: 218-346-4405 • email: management@firmanswer.com



WEST CENTRAL ABSTRACTING CO., INC.

OWNERS AND ENCUMBRANCES REPORT

LEGAL DESCRIPTION OF PROPERTY: All that part of the SE¼ of the SW¼ of Section 11, Township 134, Range 39, Otter Tail County, Minnesota, described as follows: Commencing at the southwest corner of said SE¼ of the SW¼ of Section 11; thence on an assumed bearing of North 0°29'09" East on the west line of said SE¼ of the SW¼, a distance of 72.01 feet to the northerly right-of-way line of State Trunk Highway No. 108, the point of beginning of the land to be described; thence continuing North 0°29'09" East on said west line of the SE¼ of the SW¼, a distance of 350.30 feet; thence South 88°05'38" East a distance of 342.99 feet; thence southeasterly on a non-tangential curve, concave to the northeast, having a radius of 772.67 feet, a delta angle of 17°39'18" and a chord bearing of South 40°57'28" East, for an arc distance of 238.09 feet; thence South 0°29'09" West a distance of 176.42 feet to said northerly right-of-way line; thence North 88°05'38" West along said northerly right-of-way line, a distance of 500.00 feet to the point of beginning.

NAME(S) OF OWNER(S): Joan E. Hutmacher

OTHER PERSONS INTERESTED, IF APPLICABLE, AND NATURE OF INTEREST: None

PROPERTY TAXES:

Parcel #74-000-11-0007-001 (Non-Homestead)
2nd ½ 2004 Taxes (\$4,620.00) Not Paid
1st ½ 2004 Taxes (\$4,620.00) and Prior Years - Paid in Full

ENCUMBRANCES FILED AGAINST NAMES GIVEN ABOVE: None

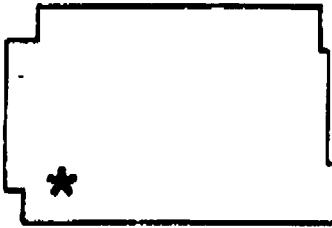
ENCUMBRANCES FILED AGAINST ABOVE-DESCRIBED PROPERTY:

Mortgage dated September 23, 1994, and recorded March 23, 1995, at 11:35am, as Document #773517, wherein Randal R. Hutmacher and Joan E. Hutmacher, husband and wife, are Mortgagors, and Perham State Bank is Lender. Amount: \$50,000.00;

Mortgage dated December 24, 1998, and recorded January 13, 1999, as Document #838634, wherein Randal R. Hutmacher and Joan E. Hutmacher, husband and wife, are Mortgagors, and United Community Bank is Lender. Amount: \$216,796.00;

202 WEST JUNIUS AVENUE • FERGUS FALLS, MINNESOTA 56537 • 218-736-5685

EXHIBIT D



WEST CENTRAL ABSTRACTING CO., INC.

Mortgage dated July 7, 2004, and recorded July 19, 2004, as Document #958595, wherein Randal R. Hutmacher and Joan Ellen Hutmacher, husband and wife, are Mortgagors, and United Community Bank is Lender. Amount: \$213,000.00

Certified to the 29th day of September, 2004, at 8:00am.


West Central Abstracting Co., Inc.

This Report is not a Title Opinion or a Title Insurance Policy. This Report is not to be construed as a Legal Opinion of Title, nor is it a substitute for an Abstract of Title or Registered Property Abstract. This Report is based on a search of the public records, and the liability of WEST CENTRAL ABSTRACTING CO., INC. in making this Report shall be limited to the cost of this Report.

202 WEST JUNIUS AVENUE • FERGUS FALLS, MINNESOTA 56537 • 218-736-3685

SVINGEN, HAGSTROM, KARKELA, CLINE & DIRKS, PLLP

RESPOND TO PERHAM Office

ATTORNEYS & COUNSELORS AT LAW

KRISTIAN SVINGEN ★
 ENNIS W. HAGSTROM ▲
 MERRY A. KARKELA ●
 J. CLINE ◊
 SCOTT M. DIRKS ●

ALLEN R. HAUGRUD
 THOMAS C. ATHENS †★
 DAVID J. EILERTSON ◊
 PAUL B. HUNT
 GREG J. LARSON

A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

OFFICES IN:	WEEKLY OFFICE HOURS IN:
FERGUS FALLS	DALTON
PERHAM	UNDERWOOD
FELICAN RAPIDS	VERGAS
BATTLE LAKE	

September 8, 2004

Patti J. Sullivan
 Trustee in Bankruptcy
 PO Box 16406
 St. Paul MN 55116

RE: RAJE HOLDINGS, LLC

Dear Ms. Sullivan:

This correspondence will confirm our telephone conference in the above matter in which I advised that it was the position of Mr. and Mrs. Hutmacher, the owners of the property leased to RAJE, that the Building Lease terminated on May 31, 2004, and that RAJE was holding over on a month to month tenancy. It is also the position of Mr. and Mrs. Hutmacher that any option to purchase and any right of first refusal were also terminated expired on May 31, 2004.

Paragraph 2 of the lease specified that the lease expired on May 31, 2004, unless at least 120 days prior to that date, RAJE exercised its option to extend the lease in writing. Please be advised that the only contact, oral or written, that the Hutmachers ever received from RAJE was a letter dated May 6, a copy of which is enclosed herewith, in which Mr. Schoepheorster belatedly attempted to exercise the option to renew. Since RAJE failed to exercise the option to renew in writing, delivered to the Hutmachers, at least 120 days prior to May 31, 2004, the Lease Agreement as well as the Option to Purchase and the Right of First Refusal all expired on May 31, 2004.

As I indicated in our telephone conference, the Hutmachers' are anxious for your decision regarding acceptance or rejection of the Lease. Since the Lease is merely a month to month hold over, unless you desire to negotiate an extension of the Lease, there is essentially no Lease to accept. I believe the code requires the trustee to perform all of the Lessee's obligations, including making the lease payments, during the period prior to acceptance or rejection and while you are in possession. The Hutmachers are willing to work with you. However, they have financial obligations related to the property and payments which they must make. They rely on the lease payments to make their payments. Therefore, it is important that they begin receiving lease payments or that the property be abandoned so they can secure a new tenant. I have also enclosed, for your

◊ Also admitted to practice in ND † Civil Trial Specialist Certified by the Minnesota State Bar Association ★ Qualified ADR Neutral CMI Mediation/ Arbitration
 ▲ Real Property Law Specialist Certified by the Minnesota State Bar Association ▲ Qualified ADR Neutral Civil & Family Mediation/ Arbitration

450 West Main • P.O. Box 160 • Perham, MN 56573

218-346-4995 • fax: 218-346-4405 • email: management@firmanswer.com

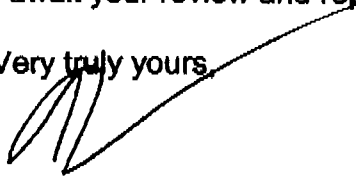
EXHIBIT E

Page 2
Patti J. Sullivan
September 8, 2004

reference, a copy of the Notice of Cancellation of Insurance the Hutmachers received, together with a copy of the tax statement for the property.

I await your review and reply.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Terry A. Karkela', written over the closing 'Very truly yours,'.

Terry A. Karkela

pan

Enc.

c: Randy and Joan Hutmacher

Verle Blaha
Thumper Pond, Inc.
43207 Topaz Trail
Ottertail, MN 56571

Telephone: 218 367 2431
FAX: 218 367 2431 (call first)
E-mail: verle77@aol.com

October 4, 2004

To: Patti J. Sullivan, Trustee in Bankruptcy
P.O. Box 16406
St. Paul, MN 55116

Please accept this letter as our intent to purchase the property in Ottertail, Minnesota; owned by Joan E. Hutmacher and commonly called "Hoots Marine" for the total sum of \$ 400,000.00. The property is further described as Property tax parcel #74-000-11-0007-001. It is our understanding that the Bankruptcy Court will purchase the property by exercising the option in the lease and be in a position to resell the property free and clear of any liens, mortgages, property taxes and any other encumbrances.

Sincerely,



Verle Blaha
President
Thumper Pond, Inc.

EXHIBIT E1

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

BKY No. 04-34853

In re:

Raje Holdings LLC,

UNSWORN CERTIFICATE OF SERVICE

Debtor.

I, Kari L. Fogarty, declare under penalty of perjury that on a October 5, 2004 I mailed a copy of the following documents:

1. Notice of Motion and Motion to Extend Time for Lease Assumption or Rejection and for Expedited Hearing;

2. Order (proposed)

by first class mail, postage prepaid to each entity named below at the address stated below for each entity:

Terry A. Karkela
Attorney at Law
450 West Main Street
P.O. Box 160
Perham, MN56573
via U.S. Mail and facsimile (218) 346-4405

Matthew R. Burton
Leonard, O'Brien, Spencer, Gale & Sayre
100 South Fifth Street, Suite 2500
Minneapolis, MN 55402

Brian F. Leonard
Leonard, O'Brien, Spencer, Gale & Sayre
100 South Fifth Street, Suite 2500
Minneapolis, MN 55402

Office of the United States Trustee
1015 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Paul Ratelle
800 LaSalle Avenue, Suite 1900
Minneapolis, MN 55402

Eric Sherburne
332 Minnesota Street, Suit W1650
St. Paul, MN 55101

MN Dept of Revenue
Bankruptcy Section
PO Box 64447
St. Paul, MN 55164

United States Attorney
600 US Courthouse
300 S. 4th Street
Minneapolis, MN 55415

Randall Hutmacher
42808 Pleasure Park Road
Ottertail, MN 56571

Joan Hutmacher
42808 Pleasure Park Road
Ottertail, MN 56571

FULLER, SEAYER & RAMETTE, P.A.

Dated: October 5, 2004

By: /e/ Kari L. Fogarty
Kari L. Fogarty
Legal Secretary
12400 Portland Avenue South, Suite 132
Burnsville, MN 55337

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

BKY No. 04-34853

In re:

Raje Holdings LLC,

ORDER

Debtor.

The above matter came before the court on the motion of the Trustee for an extension of time to accept or reject a lease of property between the Trustee and Randal R. Hutmacher and Joan A. Hutmacher.

Appearances, if any, were noted upon the record.

Based upon the files, records and proceedings herein and the court being fully advised in the premises,

IT IS HEREBY ORDERED:

1. The Trustee's motion for expedited relief is granted.
2. The time for the Trustee to accept or reject the lease between the Trustee and Randal R. Hutmacher and Joan A. Hutmacher is extended until December 20, 2004.

BY THE COURT:

Dated: _____, 2004

Dennis D. O'Brien
U.S. Bankruptcy Judge